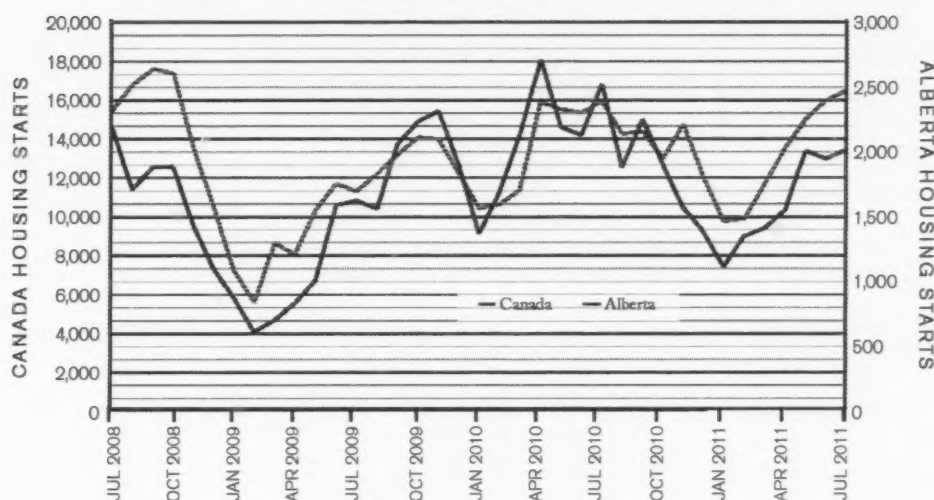


HOUSING BULLETIN MONTHLY REPORT

1

ALBERTA'S PRELIMINARY HOUSING STARTS UP in PAST MONTH, but DOWN YEAR-OVER-YEAR

Preliminary Housing Starts in Alberta* and Canada*,
July 2008 to July 2011



* Data reflects centres with a population of 10,000 and over.
Source: Canada Mortgage and Housing Corporation

- In July 2011, Canada's total preliminary housing starts increased 3 per cent over June 2011, and increased 3 per cent year-over-year from July 2010.
- Across Alberta, preliminary July 2011 housing starts increased 4 per cent month-over-month from June 2011. Year-over-year however, housing starts decreased 20 per cent from 2,523 units in July 2010 to 2,017 units in July 2011.
- According to Canada Mortgage and Housing Corporation, competition from the resale market is still impacting new home sales and starts. Increasing demand is expected to lead to improvements in new home construction in the months ahead as the resale market becomes more balanced.

ISSUE HIGHLIGHTS

Resale Prices
Calgary and Edmonton average resale prices remain relatively flat.

Page 3

New Housing Price Index
New homes cheaper in Calgary compared to one year ago.

Page 4

Labour Force
Fort McMurray's pool of available labour grew over the past year.

Page 6

The Bank of Canada will have a tough time raising rates and may even be forced to cut them if a double-dip recession comes to pass, throwing more fuel onto the real estate market (FINANCIAL POST).

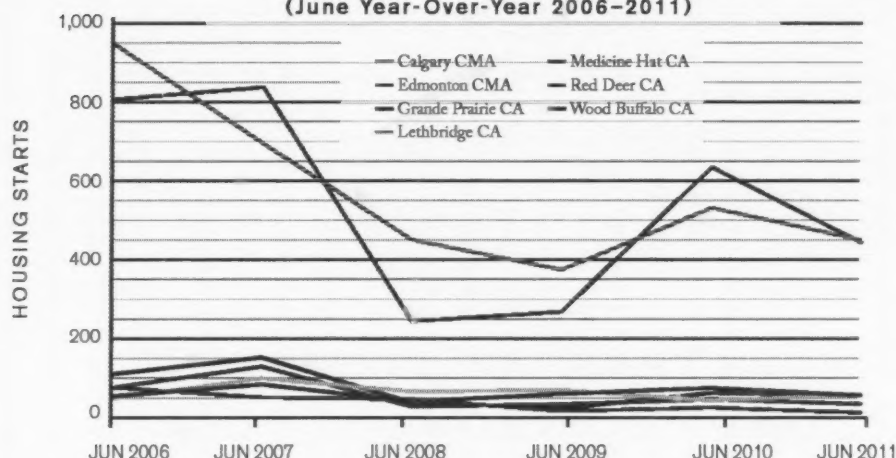
home buyer (ATB FINANCIAL). Global stock market volatility and plunging oil prices could shake confidence among Alberta's potential new home buyers (ATB FINANCIAL). Global stock market volatility and plunging

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SINGLE-FAMILY HOUSING STARTS DECLINE ACROSS ALBERTA

Actual Housing Starts - Single-Detached
(June Year-Over-Year 2006-2011)

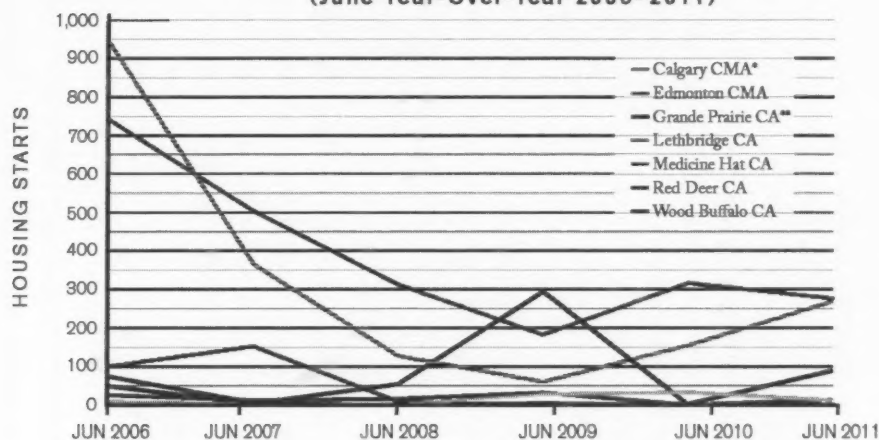


- In June 2011, total single-detached housing starts across Alberta's major centres decreased 21.5 per cent year-over-year from June 2010.
- From June 2010 to June 2011, single-detached housing starts fell in all major centres except Lethbridge, where starts were up 37.2 per cent.
- Year-over-year, declines were reported in Calgary (15.3 per cent), Edmonton (30.1 per cent), Grande Prairie (25.3 per cent), Medicine Hat (52.0 per cent), Red Deer (26.1 per cent) and Wood Buffalo (8.1 per cent).

Source: Canada Mortgage and Housing Corporation

MULTI-FAMILY HOUSING STARTS UP ACROSS ALBERTA

Actual Housing Starts - Multi-Family Dwellings
(June Year-Over-Year 2006-2011)



- In June 2011, multi-family housing starts across Alberta's major urban centres increased year-over-year on average by 30.1 per cent.
- The largest year-over-year increases were reported in Wood Buffalo, where multi-family starts rose from 2 in June 2010 to 89 in June 2011.
- In Calgary, multi-family housing starts totalled 269 units in June 2011, a 74.7 per cent increase year-over-year from the 154 units built in June 2010.

Source: Canada Mortgage and Housing Corporation

* Census Metropolitan Area (CMA).

** Census Area (CA).

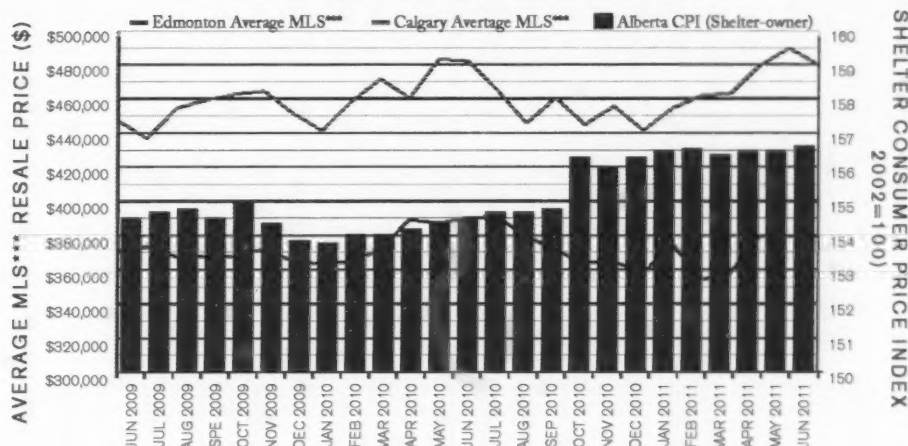
The stability in Alberta's new housing market is consistent with the existing home market where prices throughout the province have been virtually unchanged over the past year (ATB FINANCIAL). The stability in Alberta's

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DESPITE RISING SHELTER COSTS, HOUSE PRICES REMAIN MODERATE in EDMONTON and CALGARY

Alberta Consumer Price Index - Owned Shelter*
and Average Single-Family Resale Price** in Calgary
and Edmonton, June 2009 to June 2011



* Owned shelter includes owner's replacement costs, home and mortgage insurance and maintenance costs, and water, fuel and electricity.

** Average resale price is for a single-family dwelling only.

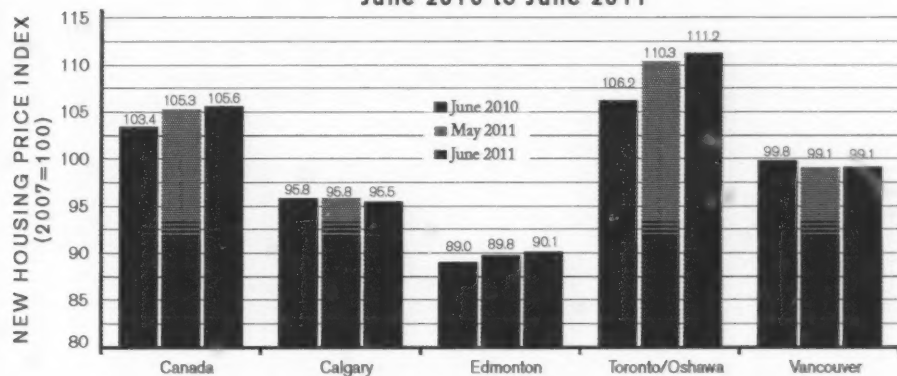
*** MLS = Multiple Listings Service.

- According to Statistics Canada, the Consumer Price Index (CPI) for owned shelter attempts to capture six components of homeownership costs: mortgage interest; property taxes; homeowners insurance premiums; homeowners repairs; other costs including transaction charges, condo fees and mortgage insurance; and replacement costs.
- Year-over-year from June 2010, the average resale price for a single-detached home in Edmonton decreased by 2.8 per cent, and by 0.5 per cent in Calgary.
- Alberta's CPI for owned shelter* costs increased 1.6 per cent from June 2010 to June 2011. This increase is most likely due to the 5 per cent increase in the CPI of water, fuel and electricity costs.

Source: Statistics Canada, Edmonton Real Estate Board, and Calgary Real Estate Board

NEW HOMES in CALGARY and EDMONTON COST LESS than HISTORICAL LEVELS

New Housing Price Index Year-Over-Year,
June 2010 to June 2011



- Year-over-year from June 2010, the NHPI decreased slightly by 0.3 per cent in Calgary and increased by 1.2 per cent in Edmonton. Toronto saw the largest increase in NHPI year-over-year, and at 111.2, remains well above the national average (105.6), increasing 4.7 per cent year-over-year from June 2010.

* Total value includes land and house.

Source: Statistics Canada

- The New Housing Price Index (NHPI) measures changes over time in the selling prices of newly built residential houses, where detailed specifications pertaining to each house remain the same between two consecutive periods. The NHPI is used to track events and trends in this important component of the construction sector.
- From June 2010 to June 2011, the NHPI increased by 2.1 per cent across Canada, and by 0.3 per cent month-over-month from May 2011.
- The NHPI in the Edmonton and Calgary Census Metropolitan Areas sat below the national average (105.6) at 90.1 per cent and 95.5 per cent respectively. Effectively, selling prices of newly built residential houses in Alberta remain below 2007 levels.

Although the typical indicators such as jobs and interest rates have been mostly positive, the confidence or ability to commit to a large purchase has not been there like it has in spring markets of other years (CALGARY HERALD, AUGUST 9, 2011).

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JULY RESIDENTIAL SALES NEARING JULY 2007 LEVELS IN EDMONTON

Year-to-Year Comparison of Housing Resale Activity in Edmonton in the Month of July

	AVERAGE PRICE			Days on the Market	Residential Listings	Residential Sales	Monthly Sales to Listings Ratio	Average Year-to- Date Sales to Listings Ratio
	Single- Family Dwelling	Condominium	Duplex/ Rowhouse					
Jul 06	\$304,805	\$188,322	\$232,762	20	2,207	1,972	89	91
Jul 07	\$415,860	\$274,379	\$341,680	30	4,548	1,459	32	58
Jul 08	\$376,231	\$253,206	\$321,516	58	3,594	1,761	48	41
Jul 09	\$373,294	\$243,869	\$296,521	47	3,060	2,223	72	58
Jul 10	\$378,979	\$240,371	\$304,032	51	2,955	1,294	43	46
Jul 11	\$384,656	\$244,225	\$309,816	51	3,038	1,441	47	50

- The average price of a single-family dwelling in Edmonton increased 1.5 per cent year-over-year from July 2010 to July 2011. The same upward trend was found in the condominium (1.6 per cent) and multi-family (1.9 per cent) sectors.
- Residential sales in July 2011 rose 11.4 per cent year-over-year and listings were also up 2.8 per cent from July 2010. Sales reached 1,441 in July 2011, nearing levels seen in July 2007 (1,459), but not quite reaching July highs of 2006 (1,972) and 2009 (2,223). The monthly sales to listings ratio is higher in July 2011 than in July 2007.

- A home sat for sale on Edmonton's market for an average of 51 days in July 2011, down from 53 days in June 2011.

Source: Realtors' Association of Edmonton

CALGARY RESALE PRICES DOWN but SALES are UP

Year-to-Year Comparison of Housing Resale Activity in Calgary in the Month of July

	SINGLE-FAMILY DWELLING					CONDOMINIUM				
	Average Price	Month End Inventory	New Listings Added	Sales	Days on the Market	Average Price	Month End Inventory	New Listings Added	Sales	Days on the Market
Jul 07	\$505,920	4,510	2,548	1,495	35	\$318,582	1,634	1,117	603	33
Jul 08	\$456,380	6,038	2,559	1,313	52	\$285,032	2,888	1,183	535	52
Jul 09	\$436,782	3,314	2,089	1,585	43	\$285,032	1,587	918	702	50
Jul 10	\$464,655	5,525	1,942	915	45	\$291,168	2,457	890	396	51
Jul 11	\$455,849	4,630	2,038	1,153	49	\$286,445	2,003	825	453	51

- The number of single-family dwellings sold in Calgary in July 2011 increased 26.0 per cent compared to July 2010, while prices came down slightly by 1.9 per cent.
- Single-family listings were up 4.9 per cent year-over-year from July 2010, while listings for condominiums were down 7.3 per cent over the same period.
- On average, a single-family home sat on Calgary's market for 51 days in July 2011, showing no change over July 2010.

- Condominium sales rose 14.4 per cent year-over-year in July 2011, following a four-year low in July 2010. According to Calgary Real Estate Board, while the pickup in sales signals a recovery, overall sales levels remain 17 per cent below the 10-year average for the month of July.

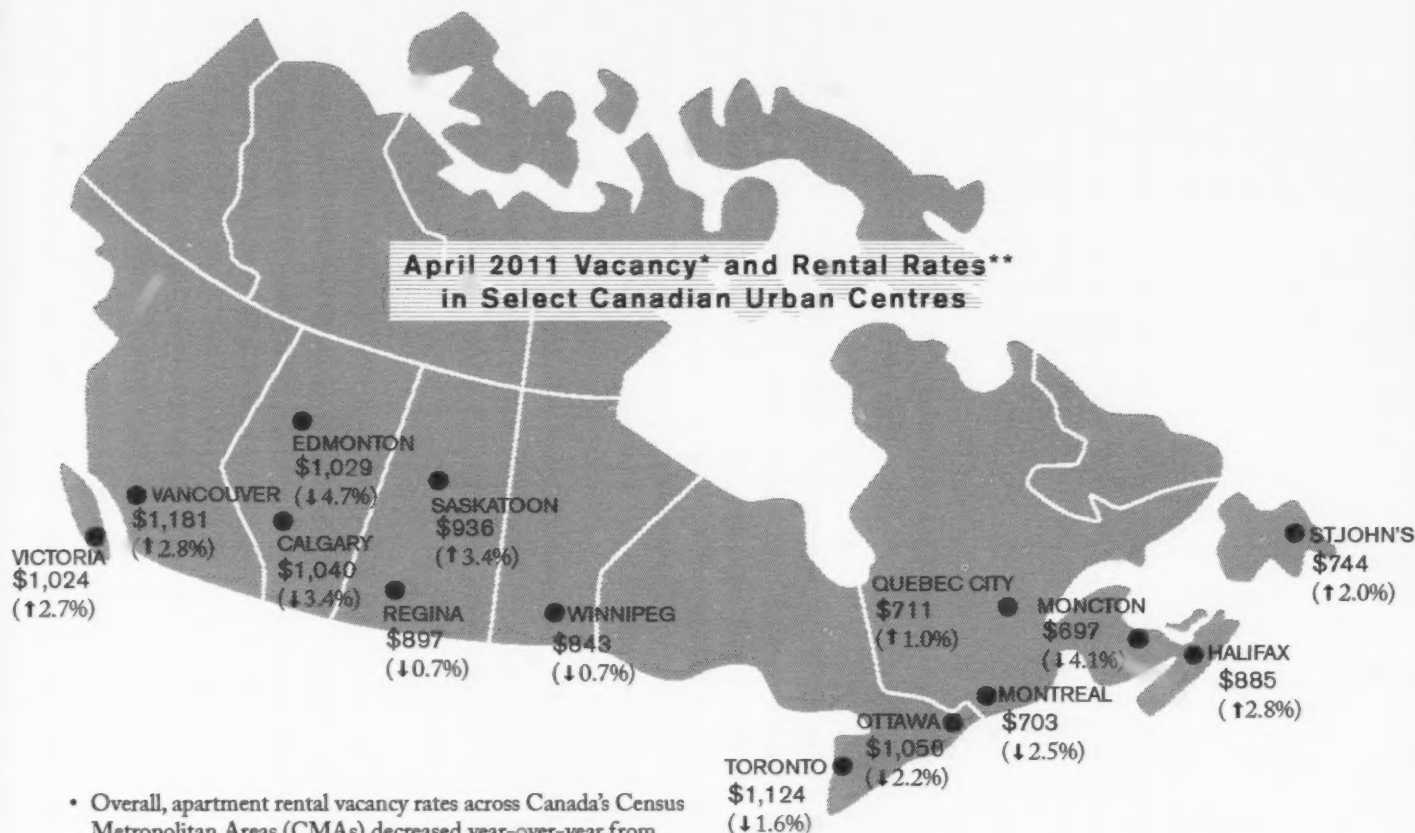
Source: Calgary Real Estate Board (CREB)

ctations (CREB). Improving market conditions may have signalled some sellers to be overly optimistic regarding pricing, resulting in a disconnect between seller and buyer expectations (CREB). Improving market

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CALGARY and EDMONTON HAVE HIGHEST VACANCY RATES AMONG CANADA'S LARGE CITIES***



- Overall, apartment rental vacancy rates across Canada's Census Metropolitan Areas (CMAs) decreased year-over-year from 2.9 per cent in April 2010 to 2.5 per cent in April 2011.
- Of the fourteen centres presented on the map above, Quebec City registered the largest vacancy increase from 0.4 per cent in April 2010 to 1.0 per cent in April 2011.
- In April 2011, Calgary and Edmonton had higher vacancy rates than most*** other CMAs in Canada.
- Average monthly rental rates fell in Calgary (3.9 per cent), Toronto (0.9 per cent) and Ottawa (0.5 per cent), but increased in the remaining eleven centres included on the above map.
- Rental rates increased in many centres across the country. Between April 2010 and April 2011, Edmonton's average rents increased 3.5 per cent. The highest increase in rents over this period was in St. John's (9.4 per cent).

* Average vacancy rates includes all unit types (i.e., Bachelor, 1-Bedroom, 2-Bedroom and 3-Bedroom+).

** Average monthly rental rate for a 2-Bedroom apartment.

*** Other smaller Canadian CMAs not presented (Windsor and Peterborough, Ontario, and Abbotsford, British Columbia) had higher vacancy rates than Calgary and Edmonton.
Note: The arrows on the map indicate whether there was a year-over-year increase or decrease in the vacancy rate.

Source: Canada Mortgage and Housing Corporation (CMHC)

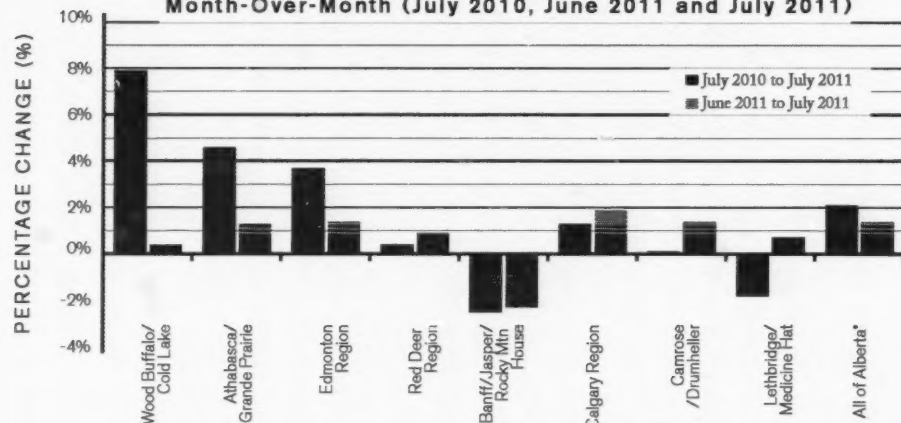
market (CMHC). Several factors, such as rising homeownership costs and recent changes to mortgage rules, mean tenants are delaying buying, which puts more pressure on the rental market (CMHC).

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WOOD BUFFALO'S LABOUR FORCE EXPANDED in JULY 2011

Labour Force Percentage Change* Year-Over-Year and Month-Over-Month (July 2010, June 2011 and July 2011)



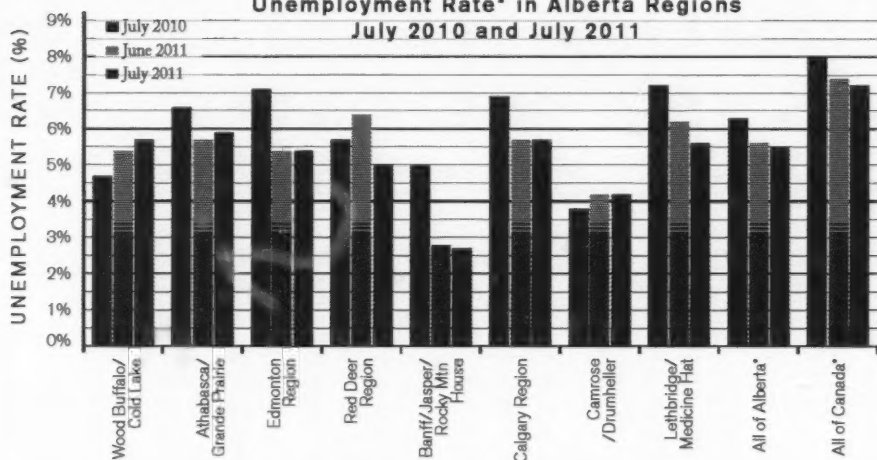
- Labour force is defined as the population 15 years of age and over who, during the labour-force survey period, were employed or unemployed. It excludes institutional residents, persons living on-reserve, full-time students and full-time members of the armed forces.
- The largest year-over-year increase in Alberta's pool of eligible labour occurred in the Wood Buffalo region, where the labour force increased 7.9 per cent over July 2010. The labour force also increased considerably year-over-year in Athabasca/Grande Prairie (4.6 per cent) and Edmonton (3.7 per cent).

- The expansion in available labour is likely due to Alberta's net migration during the January to March 2011 period, when Alberta welcomed a total of 9,424 newcomers from other provinces (5,275 people) and countries (4,149 people).
- The largest declines in the labour force were recorded in Banff/Jasper/Rocky Mountain House (2.5 per cent) followed by Lethbridge/Medicine Hat (1.8 per cent).

* Seasonally adjusted.
Source: Alberta Employment and Immigration

UNEMPLOYMENT RATES DROP in MOST ALBERTA REGIONS YEAR-OVER-YEAR

Unemployment Rate* in Alberta Regions
July 2010 and July 2011



- Alberta's unemployment rate was 5.5 per cent in July 2011, compared to 6.3 per cent in July 2010.
- Month-over-month, the largest decline occurred in Red Deer, where the unemployment rate fell from 6.4 per cent to 5 per cent.
- The Wood Buffalo region also saw the largest month-over-month increase in unemployment, rising from 5.4 to 5.7 per cent in July 2011. This increase is likely due to the increased pool of available labour in the region as demonstrated above.
- In July 2011, unemployment was highest in Athabasca/Grande Prairie (5.9 per cent), Wood Buffalo (5.7 per cent) and Calgary (5.7 per cent).

- The unemployment rate in Alberta remains below the national unemployment rate, which declined slightly year-over-year from 8.0 per cent in July 2010 to 7.2 per cent in July 2011.

* Seasonally adjusted.
Source: Alberta Employment and Immigration

DAY, AUGUST 10, 2011). Alberta had the strongest employment growth in Canada for July, another indication that Alberta is in a period of solid economic growth (*FORT MCMURRAY TODAY*, AUGUST 10, 2011). Alberta had the stronge

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